



State Capitol  
Lansing, Michigan 48913  
517/373-7888  
1-888-937-4453  
517/373-2983 (fax)  
sengjacobs@senate.michigan.gov

**GILDA Z. JACOBS**  
**MICHIGAN SENATE**  
**ASSISTANT DEMOCRATIC FLOOR LEADER**  
**FOURTEENTH DISTRICT**

Committees  
Economic Development, Small  
Business and Regulatory Reform VC  
Families and Human Services VC  
Government Operations  
Health Policy

# The Jacobs Report

**FOR IMMEDIATE RELEASE**  
**Friday, September 17, 2004**

**CONTACT: Matt Levin**  
**(517) 373-7888**

---

## **NON-PARTISAN ASSESSMENT: NET HIKE TO HOMEOWNER IS 37 CENTS**

In response to misinformation labeling the governor's county revenue sharing plan scenario as a tax increase, the Senate Fiscal Agency (SFA) told the Senate Republican office that the loss to the average Michigan homeowner in Fiscal Year (FY) 2005 under the new plan is 37 cents.

As reported in last week's Jacobs Report, the early tax collection would be fully implemented in FY 2007. At that time, the average homeowner will be paying \$1.11 more per fiscal year. Keep in mind, however, that this average taxpayer would be responsible for the burden of paying the roughly \$90 he or she would have paid in county property taxes in December six months earlier in July.

The Senate Fiscal information comes as the House of Representatives sits on SB 1111 and SB 1112, the legislation that gradually moves up the county property tax collection up over a period of three years. This early tax collection will allow counties to operate from a pool of money in lieu of the usual \$182 million in revenue sharing money. In a cost-savings effort to balance the budget, this revenue sharing has been eliminated. Ironically, Governor Granholm and the Legislature have been criticized for raising taxes when, in fact, this measure is part of an effort to reduce spending.

FY 2005 begins on October 1. If these bills are not passed or another alternative found by the end of September, counties will face a cut of 38.7 percent, cities a cut of 28.5 percent, and villages a cut of 22.8 percent under the formula the House and Senate sent to the governor in the General Government budget.

"The question you have to ask yourself is, 'When is 37 cents worth \$182 million?'" asked Senate Republican spokesperson Ari Adler.

The information comes as Gov. Granholm, legislative leaders and local officials try to convince a skeptical (and some would argue, misinformed) public that gradually collecting a person's county property taxes early is a better scenario than the deep cut in police and fire services that would come about if the bills died in the House.

The bills easily passed the Senate by a 23-12 margins last week, but stalled in the House once members were confronted by angry constituents agitated by a series less-than-accurate media reports of a tax "increase."

Detroit radio commentator Frank Beckman has championed the "injustice" of the early tax collection, citing an article that erroneously reported the proposal as a scheme to collect four years of taxes within a three year period.

--more--

The Oakland Press added fuel to the fire in a weekend editorial by reporting the votes on Senate Bills 1111 and 1112 as a “\$550 million stealth tax hike” that was passed in the “wee hours of Thursday morning” when “the Michigan Senate voted 23 to 14 to accelerate county property tax payments by one-third for each of the next three years.” Both votes were, in fact, taken during the middle of the day, passing by a 23-12 margin.

The ultra right-wing Mackinac Center then jumped into the fray, manufacturing a report claiming that the early tax collection is the equivalent of a one-time 16.27 percent increase in each taxpayer’s annual county property tax bill, payable in three installments between 2005 and 2007.

The Mackinac Center’s logic is based on the premise that by paying early, a taxpayer never catches up—even when future dues no longer exist.

“My office has received hundreds of calls and e-mails protesting the tax shift,” said Senator Gilda Z. Jacobs (D-Huntington Woods). “Once we explain what the shift really entails—in contrast to what the media has been reporting—a vast majority of folks’ concerns are put to rest. Indeed, this is an accounting quick-fix that doesn’t do much to solve our structural budget problems, but as anyone working in the public sector knows, even the best public policy is going to have its detractors. In order to balance our budget, this is our best option.”

“The media and anti-tax groups forgot that former Governor John Engler instituted a similar property tax payment shift in 2002,” said Matthew J. Levin, Jacobs’ legislative director. “If it’s such a heinous deal, how come no one remembers it? Not one home owner who has contacted our office has any memory of the Engler tax shift and any burdens it may have caused. His plan fell under the radar even though it was 50% larger than the one proposed by Governor Granholm. So why is she getting hammered on it? You need to look at who is doing the hammering.”

Senate Fiscal Agency Director Gary Olson said that in his 27 years of legislative work, he has operated under the theory that a tax policy change is a tax hike if the tax rate multiplied by the tax base increases. Since county tax rates are not rising and the category of people paying the tax is not rising, this is not a tax increase.

“Now, is coming up with \$80 in August instead of February going to create a cash flow problem for some people? I suppose this will be an issue for some,” Olson said. “But to call this a tax increase ... I just don’t see it.”

The governor’s office held firm on their position that the county revenue sharing proposal needs to pass the House.

“We have an agreement with legislative leadership on the budget and we plan to stick to that agreement,” said Press Secretary Liz Boyd.

The decision on whether or not the House will go along with the final step in the budget agreement will likely be decided next week.

“We’re saying that it may not be taxpayer friendly, but it is not a tax increase,” said Keith Ledbetter, spokesperson for House Speaker Rick Johnson (R-LeRoy).

“If (House Democrats) put up 40 votes, we would have provided the margin (15 votes) needed for it to pass,” Ledbetter said.

It seems likely that when the House reconvenes next week some ideas (such as a future tax cut) will have been floated to possibly make the acceleration more politically palatable.

“A future tax cut is one more thing our kids will end up paying for in the future,” said Senator Jacobs. “Tax cuts without the necessary structural adjustments are why we’re in this situation in the first place.”

**CONSCIENTIOUS OBJECTOR BILLS COMING UP**

Doctors, health insurers, health facilities and other health care providers could not be held responsible for refusing to treat patients under a package of bills that will be before the Senate Committee on Health Policy this Wednesday. The bills allow health care workers to refuse service to anyone on moral, ethical or religious grounds without fear of professional discipline or legal action. Treatments for birth control, fertility and sexual dysfunction will likely all face legally protected refusals if this legislation is signed into law.

The Conscientious Objector Policy Act would basically allow health care providers to refuse service for any reason and/or personal bias. The legislation prohibits racial discrimination by health care providers, but it doesn't ban discrimination based on a person's sexual orientation. Emergency medical technicians could refuse to answer a call from certain people because they don't approve of their lifestyle or culture. End of life treatment would be subject to the personal bias of the caregiver. Even blood transfusions could be refused. Pharmacists could use it to deny filling prescribed medications. By codifying discrimination in healthcare, this legislation conflicts with the Hippocratic Oath of ethical professional behavior for physicians and other health care providers. For our state, it's a dangerous step in the wrong direction.

At the end of this document please find a copy of the committee notice.

---

All Michigan legislation can be tracked at <http://www.legislature.michigan.gov/>.

State Senator Gilda Jacobs represents the 14<sup>th</sup> Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

**Constituents of the 14<sup>th</sup> District may contact Senator Jacobs at [sengjacobs@senate.michigan.gov](mailto:sengjacobs@senate.michigan.gov) or toll-free at 1-888-937-4453.**

This newsletter is produced in single-space form in order to save paper and transmission costs.

(more)

**COMMITTEE:** Health Policy

**DATE:** Wednesday, September 22, 2004

**TIME:** 1:00 p.m.

**PLACE:** Senate Hearing Room, Ground Floor, Boji Tower  
124 W. Allegan Street, Lansing, MI 48933

**PHONE:** Leta Howard, Committee Clerk (517) 373-3543

**AGENDA**

**HB 4766** Rep. Pastor Health facilities; nursing homes; noncompliance with requirement that certain health facilities maintain emergency generators; designate as violation of the public health code.

**HB 5637** Rep. Hoogendyk Health facilities; other; matching grant program for the purchase of ultrasound machines by certain entities; provide for.

**SB 1095** Sen. Bernero Health; pharmaceuticals; prohibition against mail-order pharmacies; eliminate.

**SB 72\*\*** Sen. Sanborn Higher education; other; student pregnant and parenting program; create program and fund. Creates new act.

**HB 5006\*\*** Rep. Richardville Health; occupations; conscientious objector policy act; create.

**HB 5276\*\*** Rep. Gleason Health facilities; other; conscientious objection to providing or participating in certain health care services; allow by health facilities under certain circumstances.

**HB 5277\*\*** Rep. Hummel Insurance; health care corporations; conscientious refusal offering or providing certain health care benefits; allow.

**HB 5278\*\*** Rep. Hummel Insurance; health; conscientious refusal to offering or providing certain health care benefits; allow.

**SB 894\*\*** Sen. Stamas Health facilities; other; conscientious objection to providing or participating in certain health care services; allow by health facilities under certain circumstances.

**SB 895\*\*** Sen. Hardiman Insurance; health care corporations; conscientious refusal offering or providing certain health care benefits; allow.

**SB 896\*\*** Sen. Hardiman Insurance; health; conscientious refusal to offering or providing certain health care benefits; allow.

**\*\*DENOTES THE COMMITTEE WILL BE TAKING TESTIMONY ONLY ON THE BILL**

*And any other business to come properly before the committee.*

*In the spirit of compliance with the Americans With Disabilities Act (ADA), individuals with a disability should feel free to contact the Office of the Secretary of the Senate by phone [(517) 373-2400] or by TDD [(517) 373-0543] if requesting special services to effectively participate in the meeting.*

####